



**AUSTRALIAN**  
APARTMENT ADVOCACY

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# BUILDS ITS OWN APARTMENT AUDIT FIX

## AAA BUILDS ITS OWN APARTMENT AUDIT FIX

Australian Apartment Advocacy (AAA) is championing an independent apartment audit system to promote apartments as a reliable housing choice.

The Mascot and Opal Towers disaster in 2019 shook the industry, because the apartment sector had been viewed as the most efficient housing solution to the residential supply crisis in most States.

State and Federal governments now need to work with industry and stakeholders, such as AAA, to restore trust in the apartment sector.

AAA's National Living Survey of 3600 apartment owners, first conducted in 2019 and again in 2021, found more than half had discovered defects in their apartments. However in the last two years this has increased by a further 10%.

AAA director Samantha Reece says an independent audit has the potential to be a win for consumers and a win for developers.

“AAA'S APARTMENT AUDIT AND ASSURANCE ACCREDITATION PROGRAM™ HAS THE POTENTIAL TO ACT AS A POINT OF DIFFERENCE IN THE MARKETPLACE, REWARDING QUALITY BUILDERS AND DEVELOPERS AND RESTORING CONSUMER CONFIDENCE IN APARTMENTS,” MS REECE SAYS. ”



“ WE URGE STATE GOVERNMENTS TO SUPPORT OUR APARTMENT AUDIT INITIATIVE AS A VITAL FIRST STEP IN RESTORING CONSUMER CONFIDENCE IN THE APARTMENT SECTOR. ONGOING NEGATIVE MEDIA ABOUT POORLY BUILT APARTMENTS SINCE THE 2019 OPAL AND MASCOT TOWERS DISASTERS HIT HEADLINES, HAS MADE APARTMENT BUYERS WARY, REDUCING PRE-SALES AND CREATING PROJECT DELAYS DESPITE A DESPERATE NEED FOR MORE HOUSING. ”

Samantha Reece · AAA director

## DEMONSTRATING LEADERSHIP IN THE SECTOR

In the absence of uniform State and Federal government action to introduce a consistent, national independent apartment audit, AAA has convened an international working group to develop an Apartment Audit and Assurance Accreditation Program™, the first in Australia.

AAA has briefed associations linked with apartment construction and received support for the audit system from:

- Master Builders Association
- Australian Glass and Window Association
- Australian Steel Institute
- Australian Institute of Waterproofing
- Master Plumbers and Gas Fitters Association
- Australian Institute of Building
- Formwork Industry Association
- ACRA
- CARES
- CIOB
- Post Tensioning Institute of Australasia
- Concrete Institute of Australia
- Australasian Certification of Reinforcing and Structural Steel
- National Precast Association

These audits, conducted during construction until the end of a project, involve AAA accredited auditors conducting quality control inspections in their specialty area, from the moment the engineer's plans are finalised.

The real-time collection of this information creates an opportunity to identify and fix defects during construction. Addressing and rectifying defects to a uniform national standard allows a compliant development to earn AAA Apartment Audit Accreditation.

When complete, the audits will be stored on a virtual platform with all associated planning approvals, building drawings, warranties and the like for strata owners, committees and councils.

## THE BENEFITS

An independent audit program has multiple benefits. It gives buyers assurance their building is properly constructed. If buyers know their developer is committed to the AAA Apartment Audit, it will also give consumers confidence to buy off-the-plan.

There are 2.5 million apartment owners in Australia and they are the most vulnerable home owners. Owners of apartment buildings four storeys or higher are not covered by Home Warranty Insurance - (which comprises of 50%).

AAA Apartment Audits offer the possibility of reduced building insurance premiums and Latent Defect Insurance because developments subject to these audits are effectively de-risking the build.

Furthermore, feeble inspection regimes and lack of accountability have an adverse impact on high-calibre builders and developers, as they suffer reputational damage because of shoddy work delivered by their peers.

AAA's Apartment Audit and Assurance Accreditation Program™ is engaging high-calibre experts and conducting talks with developers to ensure the program is robust and supported.

## A WELL-KNOWN ISSUE THAT AUTHORITIES RECOGNISE NEEDS TO BE ADDRESSED



The Australian Building and Construction Board's (ABCB) December 2021 response to the recommendations of the February 2018 Building Confidence Report by Professor Peter Shergold and Bronwyn Weir, revealed non-compliance with building standards costs Australians an eye-watering \$2.5 billion a year, with \$1.3 billion borne by apartment owners.



The most significant defects were in waterproofing, weather proofing, structures and fire and safety. Addressing these problems could save \$1.5 billion a year - the cost of fixing defects - and would deliver construction industry productivity savings of \$375 million a year, the ABCB found.



ABCB chair Glenys Beauchamp said then that without improved compliance, consumers were being left to foot the bill for defects and non-compliant work.



APARTMENT AUDIT AND ASSURANCE  
ACCREDITATION PROGRAMME



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## WHAT'S NEXT?

**AAA is seeking development partners in Queensland and Western Australia** to trial the audit program and document the process. AAA is also seeking seed capital for the trial audits to extend its AAA Apartment Audit to NZ and beyond.



### FOR MORE INFORMATION:

SAMANTHA REECE · AAA Director

M. 0452 067 117

E. [sam@aaadvocacy.net.au](mailto:sam@aaadvocacy.net.au)